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ABSTRACT

This paper, by focusing on the application of marketing principles from the business environment to the educational environment, illustrates how educational management theorists have taken a generally accepted conceptual framework to maximize consumer satisfaction and competitive advantage and created a conceptual quagmire. The use of principles of business management is perceived by some as a method of transforming education at a micro level, thus leading to a more effective education. The text looks at marketing as applied in the business environment and the movement to apply marketing principles to the management of educational institutions. It examines the results of borrowing, arguing that the application of marketing principles has contributed to the understanding of communication between educational institutions and their surrounding communities. However, the contribution of this form of borrowing has not yet been used to its full potential in guiding and assisting equitable transformation. The perception that marketing is merely managerial communication still dominates, which means that the application of marketing principles is constrained within the discipline of educational management. The idea that marketer-client relationships exist between educators and the people they serve needs to be applied overtly and consciously. (Contains 46 references.) (RJM)

BORROWING FROM BUSINESS AND EQUITABLE TRANSFORMATION IN EDUCATION

PAPER PRESENTED AT

THE 10TH WORLD CONGRESS OF COMPARATIVE EDUCATION

by

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2. ABSTRACT

Over the past three decades trends on both global and local levels have forced educators and administrators to pay more attention to effective management of educational institutions and educational offerings.

The use of principles of business management is perceived by some as a method of transforming education at a micro level because, it is argued, the use of management principles can result in more effective education. Effective education, following this argument, results in satisfied consumers, which enhances chances of appropriating or channelling limited resources for further development.

An analysis of publications on marketing educational institutions, however, indicates that the application of business concepts and conceptual processes has not been even or linear. Different base points for the same or similar concepts have been used by different people at different times and different places, resulting in very different accounts of what should be the same thing.

This paper, focusing on the application of marketing principles from the business environment to the educational environment, will illustrate how educational management theorists have taken a generally accepted conceptual framework used to maximize consumer satisfaction and competitive advantage and created a conceptual quagmire.

3. INTRODUCTION

Recent and current trends in and around education have placed increased pressure on the effective management of resources available to education. Pressures created by financial constraints have affected education differentially, but across the board, and have been a major cause of inter-level power struggles (Van der Bijl, 1996:16-22).

Solving resource and other educational problems by using information developed in the business environment is not novel or unusual, it is the basis of an academic discipline - Educational Management (Van der Westhuizen, 1991:9). The discipline assists in solving such problems by a combination of, firstly, identifying situational factors from the educational environment and interfacing them with existing wisdom. Should existing wisdom be insufficient or inadequate, applicable principles of management from the business environment are identified and applied (see for example La Grange, 1983; Prinsloo, 1985; Van der Bijl, 1996).

Solving educational problems by using information developed in the business environment is based on sound reasoning. With relevance to marketing, Kotler & Fox (1985:3) argue that as "time passes schools, colleges, universities, and other educational institutions increasingly recognise that they face marketing problems". The fact that the book is called *Strategic Marketing for Educational Institutions* indicates that the principles included in the book can assist in solving "marketing problems".

The book by Kotler & Fox was not a unique occurrence. The application of marketing principles to the management of educational institutions started emerging in the late 1960s (Bradbury, 1990:46-47) at a rate that increased in the mid 1980s and matured in the mid 1990s.

4. MARKETING AS APPLIED IN THE BUSINESS ENVIRONMENT

Marketing, it is generally accepted in the business environment where the concept was developed, is a multi-dimensional concept that describes activities at different levels of an institution involved in satisfying human needs (see Kotler, 1986; Lucas, 1989; Marx & Van der Walt, 1993; Stanton *et al*, 1993; Van der Walt *et al*, 1996).

Firstly, marketing describes the basic process involved in social need satisfaction. It is argued that two interacting classes of people can be identified, marketers, who own need satisfying products, and consumers, who have needs (Cronje, 1994:135-138). The two classes do research on each other and enter into transactions that result in the satisfaction of both's needs.

Secondly, marketing describes a philosophical base or management orientation. It is argued that dominant management values have developed from production, product and sales orientations to a marketing orientation. The first three orientations represent beliefs that the primary task of any business institution is to, respectively, produce products, produce products of exceptional quality and get involved in a concerted selling effort aimed at finding buyers (Kotler & Armstrong, 1996:14-16). A marketing orientation, in contrast, Lucas (1989:16) argues, recognises the interdependence between a business and its consumers and the need for continuous communication.

Marketing, thirdly, describes the principles applicable to the development of products and services, and the pricing, distribution and promotion thereof.

Marketing's third dimension tends to be the bulk of the content of marketing publications and marketing courses. Included in such contents are studies of consumer behaviour, market research, development of products, price determination, distribution strategies, promotion strategies and principles of strategic marketing management (see Kotler,1986; Lucas,1989; Marx & Van der Walt,1993; Stanton *et al.*,1993; Van der Walt *et al.*,1996).

5. MARKETING AS BORROWED FROM BUSINESS

5.1 DEVELOPMENT OF INTEREST IN MARKETING

The development and increase in interest in the application of marketing principles to the management of educational institutions can be attributed to a variety of factors. A primary reason was the acceptance of the relevance of marketing principles to the management of educational institutions (see Brooks,1982; Nebgen,1983; Kotler & Fox,1985; Savage,1987; Lyons,1991; Keener, *et al.*,1991; Puffitt, *et al.*,1992; Du Toit & Calitz,1993). Arguments in favour of applying marketing principles range from making a case for marketing to aspects of its inclusion in various management processes. Some of the arguments will be discussed later in this paper.

A second reason for development of the interest in question can be attributed to a change in the nature of education provision. This reason is echoed strongly in British writing, particularly those criticising State policy for establishing markets for education in the 1988 Education Reform Act (see Smith,1989; Gray,1991:5; James & Phillips,1995:75). Given recent pieces of legislation promulgated and currently debated in South Africa, State policy also appears to be the catalyst in the interest in the use of marketing principles in this country (see South Africa 1992; 1995a; 1995b; 1996).

5.2 APPLICATION OF BORROWED PRINCIPLES

Although two primary reasons have been identified for the application of marketing principles to the management of educational institutions, the application of these business concepts and conceptual processes has not been even or linear. Different base points for the same or similar concepts have been used by different people at different times and different places resulting in very different accounts what should be the same thing. As a result, it is possible to identify various schools of thought on the nature of, and, as a result, the structure of marketing educational institutions (see Van der Bijl, 1996:58-81).

The most basic school of thought involves the idea that marketing is a functional task in the management of educational institutions (see Brooks,1982; Nebgen,1983; Kotler & Fox,1985; Savage,1987; Lyons,1991; Keener, *et al*,1991; Puffitt, *et al*,1992; Du Toit & Calitz,1993). Publications aligned to this approach occurred primarily in the 1970s and early 1980s but articles fitting this classification still appeared in the early 1990s. In publications aligned with this approach, reference is commonly made to the applicability of marketing to the management of educational institutions. Terms like "broadening" (McDaniel,1979:8-10) the concept of marketing and "borrowing from business" (Nebgen,1983) by applying "marketing oriented solutions" were used.

First attempts at detailed conceptualisation of applying marketing principles to the management of educational institutions used principles developed for non-profit seeking institutions (see De Swart, 1986;Bradbury,1990; Stot & Parr,1990). The argument involved in this approach, often used in the basic approach just discussed, is based on the perception that educational institutions can be classified as non-profit seeking institutions.

An approach, dominated by Gray (1991), further developed the non-profit approach. This approach involved using the principles of marketing service institutions. Gray's (1991:12) argument is based on the "premise that education is a service and as so has a number of features

in common with other activities in the public and private sectors which provide services".

A fourth approach to the application of marketing principles to the management of educational institutions has a different base point. Whereas the first three had their origins in business principles, this approach has its origin in principles of educational management.

No doubt influenced by the application of marketing principles to the management of educational institutions, and influenced by similar applications of principles of public relations (see Cutlip *et al*, 1985:598-656; Devlin & Knight, 1990), terminology and concept adaptations occurred in publications within mainstream educational management. The trend involved broadening the management communication task to include terms and tasks involved in marketing and public relations (see for example De Wet (1981), Peach (1985), Hepworth (1987), Gorton & Thierbach Schneider (1991), Van der Westhuizen (1991) and Everhard & Morris (1990)).

A fifth approach, found in publications like Kotler & Fox (1985) and Marland & Rogers (1991) places marketing educational institutions at a general or strategic management level. Publications such as these did not focus on industries or sectors, they focused on generic marketing principles.

5.3 RESULTS OF BORROWING

Contributions in the 1990s, primarily in the form of theses and dissertations, tended to focus on the application of marketing principles to the management of specific institutions or groups of institutions. Furse (1989) and Rowley (1991), for example focused on primary schools, James (1991) on secondary schools, and Van Biljon (1991) on tertiary education. These contributions, as can be expected, tended to incorporate information developed in foregoing approaches.

Commercial publications of the 1980s, however, tend to still be in circulation. Although some have been revised, they tend to remain within their allied approach.

The result, therefore, of three decades of borrowing from business is the existence of a range of meanings for a conceptual framework that has a generally accepted meaning in the environment from which it was borrowed.

The result of the existence of a range of meanings is that contributions, James (1989:1-7) for example, take approaches and then bypass them in favour of completing their arguments. Furthermore, not uncommonly, contributions of the mid 1990s classified approaches to the application of marketing principles before applying them (see Van der Bijl, 1996:57-81; Evans and Gerwitz, Ball & Bowe, as quoted by Ribbins, 1998).

6. MARKETING AND EQUITABLE TRANSFORMATION OF EDUCATION

The application of marketing principles has, on the one hand, contributed to the equitable transformation of education by contributing to the understanding of communication between educational institutions and their surrounding communities. The (marketing oriented) client and dual need satisfaction focus have served as a reminder to managerial communicators on the nature and reason for managerial communication. Furthermore, by introducing concepts involved in marketing communication (advertising, public relations, personal selling and sales promotion), marketing has assisted in bringing managerial communication of education institutions into the sphere of mass communication.

In refocussing, broadening and improving managerial communication in education, the practice of borrowing marketing principles from business has therefore assisted in the transformation of education by bringing educational institutions closer to communities they serve. However, the application of marketing principles created debatable problems of its own.

The first and fourth approaches to the application of marketing principles restricts marketing application to communication.

In terms of contribution to equitable transformation of education the first two approaches can be regarded as both radical and conservative. Authors aligned to the approaches contributed to the development of the use of marketing principles by making a clear case for their use. In making a case for the use of marketing principles, publications included in this approach introduced or reintroduced the importance of receivers in the process of education. However they tended to be restricted to the third dimension of the application of marketing principles, namely functional tasks.

The second and third approaches to the application of marketing principles place the nature of education in similar, but different, contexts. The non-profit approach relegates education to the non-profit seeking economic sector and the service approach to the service industry.

Focusing on these approaches alone is problematic because, in terms of knowledge development, the approaches are based on prior, generic marketing knowledge (see Institute of Administration and Commerce, *s.a.*). Furthermore, an industry or sector focus, especially if not located within prior knowledge, could lead to a focus on the industry or sector, rather than the marketing process.

The result of the latter two applications, although useable if contextualized within the broader scope of marketing, is likely to create confusion and contradiction if applied singularly.

7. CONCLUSION

The application of marketing principles therefore, although contradictory and restricted, has

contributed to the equitable transformation of education. The contribution of this form of borrowing from business has, however, not yet been used to its full potential in guiding and assisting equitable transformation of education.

The perception that marketing is merely managerial communication still dominates, as does, to a lesser extent, its irrelevance to education. This means that the application of marketing principles remains within the discipline of educational management and in the discipline, merely as a task. In other words, the application of marketing principles remains limited to its third dimension of its application.

The other two applicative dimensions remain lacking. Firstly, the idea that a marketer-client relationship exists between educators and the people they serve needs to be applied overtly and consciously. Furthermore, educational institutions need to be converted into market oriented (need-satisfying) institutions through managerial motivation and organisation wide individual application.

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